



BILLING CODE 4910-9X-P

## **DEPARTMENT OF TRANSPORTATION**

### **Office of the Secretary**

### **Inflation Adjustments to Liability Limits Governed by the Montreal Convention Effective December 28, 2019**

**AGENCY:** Office of the Secretary, Department of Transportation.

**ACTION:** Notice.

**SUMMARY:** The Department is publishing a notice to inform U.S. and certain foreign air carriers of inflation adjustments to liability limits of air carriers and foreign air carriers under the Montreal Convention.

**FOR FURTHER INFORMATION CONTACT:** Maegan Johnson, Senior Trial Attorney, Office of Aviation Enforcement and Proceedings, U.S. Department of Transportation (DOT), 1200 New Jersey Avenue SE., Washington, DC 20590, at [maegan.johnson@dot.gov](mailto:maegan.johnson@dot.gov) or 202-366-9342.

### **SUPPLEMENTARY INFORMATION:**

This notice informs U.S. and certain foreign air carriers of inflation adjustments to liability limits of air carriers and foreign air carriers under the Montreal Convention (Convention).<sup>1</sup> The adjustments affect limits on liability for damages for passenger death or injury, delay in the carriage of passengers, and the loss, delay or damage to baggage or cargo, increasing those limits by nearly 14 percent. This increase became effective on December 28, 2019. The U.S. and foreign air carriers affected by these changes to the Convention include those providing international carriage between countries that, like the United States, are parties

---

<sup>1</sup> *Convention for the Unification of Certain Rules for International Carriage by Air*, done at Montreal on May 28, 1999.

to the Convention, and that provide roundtrip foreign air transportation that originates and terminates in the United States.

The liability limits are set out in Articles 21 and 22 of the Convention. Under Article 24 of the Convention, the International Civil Aviation Organization (ICAO) reviews the liability limits in Articles 21 and 22 every five years in light of inflation that has occurred during that period.<sup>2</sup> In a June 28, 2019, notice, the Secretary General of ICAO advised parties to the Convention of revisions required pursuant to this review. The revised liability limits effective December 28, 2019 (stated in Special Drawing Rights (SDRs)) are as follows<sup>3</sup>:

	<b>Strict liability for death or bodily injury to passengers</b>	<b>Delay in the carriage of passengers</b>	<b>Destruction, loss, damage or delay of baggage per passenger</b>	<b>Destruction, loss, damage, or delay of cargo</b>
<b>Limit as of Dec. 28, 2019</b>	128 821 SDRs	5 346 SDRs	1 288 SDRs	22 SDRs

Pursuant to the terms of Article 24 in the Convention, the increased limits become effective six months following the June 28 notice referred to above, or December 28, 2019. Carriers should, therefore, revise their contracts of carriage, tariffs, required notices, and practices to conform to the Convention's requirements. Failure to implement in a timely manner the revised liability limits and required notices would, in the view of the Department's Office of

---

<sup>2</sup> Article 24 of the Convention provides that the limits of liability shall be reviewed by ICAO at five-year intervals and adjusted "by reference to an inflation factor which corresponds to the accumulated rate of inflation since the previous revision...." During its second review in 2014, ICAO concluded that it was not necessary to increase liability limits at the time. Thus, the inflation adjustments to the liability limits in Articles 21 and 22 announced in this Notice are the most recent increases since 2009.

<sup>3</sup> The SDR, an international reserve asset, is a defined basket of major currencies periodically reviewed by the International Monetary Fund to reflect the relative importance of the constituent currencies.

Aviation Enforcement and Proceedings, constitute an unfair<sup>4</sup> or deceptive<sup>5</sup> practice and unfair method of competition in violation of 49 U.S.C. 41712. This disclosure notice also extends to ticket agents and indirect air carriers.<sup>6</sup>

Issued this 10th day of January, 2020, in Washington, DC.

**Blane A. Workie,**

*Assistant General Counsel for Aviation Enforcement and Proceedings,*

*U.S. Department of Transportation.*

---

<sup>4</sup> We consider a practice to be unfair if it is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition.

<sup>5</sup> We consider a practice to be deceptive where: (1) a representation, omission, or practice misleads or is likely to mislead the consumer; (2) a consumer's interpretation of the representation, omission, or practice is considered reasonable under the circumstances; and (3) the misleading representation, omission, or practice is material.

<sup>6</sup> Indirect air carrier and foreign indirect air carrier mean a person or entity that, as a principal, holds out, sells, or arranges air transportation and separately contracts with direct air carriers and/or foreign direct air carriers. 14 CFR 295.5.

